HARDSHIPS OF

The Great Depression
What were the causes of the Great Depression?
Causes of the Great Depression

- Over speculation on stocks using borrowed money that could not be repaid when the stock market crashed in 1929 and stock prices collapsed. This was also called buying stocks “on margin”.
Causes of the Great Depression

- Federal Reserve’s failure to prevent widespread collapse of the nation’s banking system in the late 1920s and early 1930s, leading to severe contraction in the nation’s supply of money in circulation.
Causes of the Great Depression

- High protective tariffs that produced retaliatory tariffs in other countries, strangling world trade (Tariff Act of 1930, popularly called the **Hawley-Smoot Act**)

Congress tried to protect American Business by raising the price of imported goods— a devastating mistake!
How did the depression affect the lives of Americans?
Impact

- Unemployment and homelessness
- Collapse of financial system (bank closings caused investors to lose all the money they deposited).

*This woman was left with her children as her husband went looking for work. Her look of uncertainty shows the despair of the times!*

Photo by Lange; National Archives
Demand for goods declined
Impact

- Political unrest (growing militancy of labor unions)
- Farm foreclosures and migration as people looked for work

Farmers of the Great Plains also suffered from a devastating drought, called the “Dust Bowl”

Courtesy: Minnesota Historical Society